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CHAMBER ACTION

1 The Local Government Council recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to economic development incentives;
7 amending s. 212.20, F.S.; providing for distribution of a
8 portion of revenues from the tax on sales, use, and other
9 transactions to specified units of local government owning
10 eligible convention centers; providing limitations;
11 requiring the Department of Revenue to prescribe certain
12 forms; specifying uses of certain distributions; providing
13 for future repeal; creating s. 288.1171, F.S.; providing
14 for certification of units of local government owning
15 eligible convention centers by the Office of Tourism,
16 Trade, and Economic Development; requiring the office to
17 adopt specified rules; providing a definition; providing
18 requirements for certification; providing for use of
19 proceeds distributed to units of local government under
20 the act; providing for audits by the Department of
21 Revenue; providing for revocation of certification;
22 providing for future repeal; providing an effective date.
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Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (d) of subsection (6) of section 212.20, Florida Statutes, is amended to read:

212.20 Funds collected, disposition; additional powers of department; operational expense; refund of taxes adjudicated unconstitutionally collected.--

(6) Distribution of all proceeds under this chapter and s. 202.18(1)(b) and (2)(b) shall be as follows:

(d) The proceeds of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be distributed as follows:

1. In any fiscal year, the greater of \$500 million, minus an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in monthly installments into the General Revenue Fund.

2. Two-tenths of one percent shall be transferred to the Ecosystem Management and Restoration Trust Fund to be used for water quality improvement and water restoration projects.

3. After the distribution under subparagraphs 1. and 2., 8.814 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred pursuant to this subparagraph to the Local Government Half-cent Sales Tax Clearing Trust Fund shall be

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52 | reduced by 0.1 percent, and the department shall distribute this
53 | amount to the Public Employees Relations Commission Trust Fund
54 | less \$5,000 each month, which shall be added to the amount
55 | calculated in subparagraph 4. and distributed accordingly.

56 | 4. After the distribution under subparagraphs 1., 2., and
57 | 3., 0.095 percent shall be transferred to the Local Government
58 | Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
59 | to s. 218.65.

60 | 5. After the distributions under subparagraphs 1., 2., 3.,
61 | and 4., 2.0440 percent of the available proceeds pursuant to
62 | this paragraph shall be transferred monthly to the Revenue
63 | Sharing Trust Fund for Counties pursuant to s. 218.215.

64 | 6. After the distributions under subparagraphs 1., 2., 3.,
65 | and 4., 1.3409 percent of the available proceeds pursuant to
66 | this paragraph shall be transferred monthly to the Revenue
67 | Sharing Trust Fund for Municipalities pursuant to s. 218.215. If
68 | the total revenue to be distributed pursuant to this
69 | subparagraph is at least as great as the amount due from the
70 | Revenue Sharing Trust Fund for Municipalities and the former
71 | Municipal Financial Assistance Trust Fund in state fiscal year
72 | 1999-2000, no municipality shall receive less than the amount
73 | due from the Revenue Sharing Trust Fund for Municipalities and
74 | the former Municipal Financial Assistance Trust Fund in state
75 | fiscal year 1999-2000. If the total proceeds to be distributed
76 | are less than the amount received in combination from the
77 | Revenue Sharing Trust Fund for Municipalities and the former
78 | Municipal Financial Assistance Trust Fund in state fiscal year
79 | 1999-2000, each municipality shall receive an amount

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proportionate to the amount it was due in state fiscal year
1999-2000.

7. Of the remaining proceeds:

a. In each fiscal year, the sum of \$29,915,500 shall be
divided into as many equal parts as there are counties in the
state, and one part shall be distributed to each county. The
distribution among the several counties shall begin each fiscal
year on or before January 5th and shall continue monthly for a
total of 4 months. If a local or special law required that any
moneys accruing to a county in fiscal year 1999-2000 under the
then-existing provisions of s. 550.135 be paid directly to the
district school board, special district, or a municipal
government, such payment shall continue until such time that the
local or special law is amended or repealed. The state covenants
with holders of bonds or other instruments of indebtedness
issued by local governments, special districts, or district
school boards prior to July 1, 2000, that it is not the intent
of this subparagraph to adversely affect the rights of those
holders or relieve local governments, special districts, or
district school boards of the duty to meet their obligations as
a result of previous pledges or assignments or trusts entered
into which obligated funds received from the distribution to
county governments under then-existing s. 550.135. This
distribution specifically is in lieu of funds distributed under
s. 550.135 prior to July 1, 2000.

b. The department shall distribute \$166,667 monthly
pursuant to s. 288.1162 to each applicant that has been
certified as a "facility for a new professional sports

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franchise" or a "facility for a retained professional sports franchise" pursuant to s. 288.1162. Up to \$41,667 shall be distributed monthly by the department to each applicant that has been certified as a "facility for a retained spring training franchise" pursuant to s. 288.1162; however, not more than \$208,335 may be distributed monthly in the aggregate to all certified facilities for a retained spring training franchise. Distributions shall begin 60 days following such certification and shall continue for not more than 30 years. Nothing contained in this paragraph shall be construed to allow an applicant certified pursuant to s. 288.1162 to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(6). However, a certified applicant is entitled to receive distributions up to the maximum amount allowable and undistributed under this section for additional renovations and improvements to the facility for the franchise without additional certification.

c. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that an applicant has been certified as the professional golf hall of fame pursuant to s. 288.1168 and is open to the public, \$166,667 shall be distributed monthly, for up to 300 months, to the applicant.

d. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that the applicant has been certified as the International Game Fish Association World Center facility pursuant to s. 288.1169, and the facility is open to the public,

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136 \$83,333 shall be distributed monthly, for up to 168 months, to
137 the applicant. This distribution is subject to reduction
138 pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be
139 made, after certification and before July 1, 2000.

140 e. The department shall distribute monthly to units of
141 local government that have been certified as owning eligible
142 convention centers pursuant to s. 288.1171 an amount equal to 50
143 percent of the proceeds, as defined in paragraph (5)(a),
144 received and collected in the previous month by the department
145 under the provisions of this chapter which are generated by such
146 eligible convention centers and remitted on the sales and use
147 tax returns of eligible convention centers. Proceeds, for this
148 sub-subparagraph, are limited to all applicable sales taxes
149 collected by an eligible convention center for standard services
150 provided by center staff to users of the center, which include
151 the following: parking, admission, and ticket sales, food
152 services, utilities services, space rentals, equipment rentals,
153 security services, decorating services, business services,
154 advertising services, communications services, exhibit supply
155 sales and rentals, locksmith services, and sales of gifts and
156 sundries. The total distribution to each unit of local
157 government shall not exceed \$1 million per state fiscal year.
158 However, total distributions to all units of local government
159 shall not exceed \$5 million per state fiscal year, and such
160 distribution shall be limited exclusively to the taxes collected
161 and remitted under the provisions of this chapter. If
162 collections and remittances of eligible convention centers
163 exceed the \$5 million maximum amount authorized for

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distribution, the department shall distribute proceeds to each
eligible unit of local government using an apportionment factor,
the numerator of which is the amount remitted by an eligible
convention center and the denominator is the total amount
remitted by all eligible convention centers. The apportionment
factor for each eligible convention center shall be applied to
the \$5 million maximum amount authorized for distribution to
determine the amount that shall be distributed to each local
government unit. The department shall prescribe forms required
to be filed with the department by eligible convention centers.
Distributions shall begin 60 days following notification of
certification by the Office of Tourism, Trade, and Economic
Development pursuant to s. 288.1171. Distributions shall be used
solely to encourage and provide economic development for the
attraction, recruitment, and retention of corporate headquarters
and of high-technology, manufacturing, research and development,
entertainment, and tourism industries as designated by the unit
of local government by resolution of its governing body, and to
assist the eligible convention centers to attract more business
and expand their offerings, including developing their own
events and shows. This sub-subparagraph is repealed effective
June 30, 2008.

8. All other proceeds shall remain with the General
Revenue Fund.

Section 2. Section 288.1171, Florida Statutes, is created
to read:

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288.1171 Convention centers owned by units of local government; certification as owning eligible convention centers; duties.--

(1) The Office of Tourism, Trade, and Economic Development shall serve as the state agency for screening applicants for state funding pursuant to s. 212.20(6)(d)7.e. and for certifying an applicant as owning an eligible convention center.

(2) The Office of Tourism, Trade, and Economic Development shall adopt rules pursuant to ss. 120.536(1) and 120.54 for the receipt and processing of applications for funding pursuant to s. 212.20(6)(d)7.e.

(3) As used in this section, the term "eligible convention center" means a publicly owned facility having exhibition space in excess of 60,000 square feet, the primary function of which is to host meetings, conventions, or trade shows.

(4) Prior to certifying an applicant as owning an eligible convention center, the Office of Tourism, Trade, and Economic Development must determine that:

(a) The unit of local government, as defined in s. 218.369, owns an eligible convention center.

(b) The convention center contains more than 60,000 square feet of exhibit space.

(c) The unit of local government in which the convention center is located has certified by resolution after a public hearing that the application serves a public purpose pursuant to subsection (7).

(d) The convention center is located in a county that is levying a tourist development tax pursuant to s. 125.0104.

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218 (5) Upon certification of an applicant, the Office of
219 Tourism, Trade, and Economic Development shall notify the
220 executive director of the Department of Revenue of such
221 certification by means of an official letter granting
222 certification. The Department of Revenue shall not begin
223 distributing proceeds until 60 days following notice by the
224 Office of Tourism, Trade, and Economic Development that a unit
225 of local government has been certified as owning an eligible
226 convention center.

227 (6) No applicant previously certified under any provision
228 of this section who has received proceeds under such
229 certification shall be eligible for an additional certification.

230 (7) A unit of local government certified as owning an
231 eligible convention center may use proceeds provided pursuant to
232 s. 212.20(6)(d)7.e. solely to encourage and provide economic
233 development for the attraction, recruitment, and retention of
234 corporate headquarters and of high-technology, manufacturing,
235 research and development, entertainment, and tourism industries
236 as designated by the unit of local government by resolution of
237 its governing body, and to assist the eligible convention
238 centers to attract more business and expand their offerings,
239 including developing their own events and shows.

240 (8) The Department of Revenue may audit as provided in s.
241 213.34 to verify that the distributions pursuant to this section
242 have been expended as required in this section. If the
243 Department of Revenue determines that the distributions have not
244 been expended as required by this section, it may pursue

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245 recovery of such proceeds pursuant to the laws and rules
246 governing the assessment of taxes.
247 (9) Failure to use the proceeds as provided in this
248 section shall be grounds for revoking certification.
249 (10) This section is repealed June 30, 2008.
250 Section 3. This act shall take effect July 1, 2005.